

AMENDED IN ASSEMBLY JUNE 16, 2005

AMENDED IN SENATE APRIL 18, 2005

AMENDED IN SENATE APRIL 11, 2005

AMENDED IN SENATE MARCH 17, 2005

SENATE BILL

No. 190

Introduced by ~~Senator Cedillo~~ *Senators Cedillo and Alarcon*

February 10, 2005

~~An act to amend Section 17518.5 of the Government Code, relating to state mandates. An act to amend Section 15438.6 of the Government Code, relating to public health.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 190, as amended, Cedillo. ~~State mandates~~ *Community clinics.*

Existing law, the Cedillo-Alarcon Community Clinic Investment Act of 2000, authorizes the California Facilities Financing Authority to award grants to eligible clinics for financing capital outlay projects.

Pursuant to existing law those provisions are to be implemented only to the extent that funds are appropriated for those purposes in the Budget Act of 2000.

This bill would remove that restriction, and would make conforming changes.

~~Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, including a school district, the state is required to provide a subvention of funds to reimburse the local government, with specified exceptions. Statutory provisions establish procedures for making that reimbursement and define a reasonable reimbursement methodology for this purpose.~~

~~The bill would authorize the Department of Finance, the Controller, an affected state agency, a claimant, or an interested party to develop a reasonable reimbursement methodology for reimbursing local agencies and school districts.~~

~~The bill would, on or before June 1, 2006, require the Department of Finance to develop a reasonable reimbursement methodology for the Public Safety Officers Procedural Bill of Rights mandate by convening a series of at least 3 meetings with the Controller, an affected state agency, a claimant, interested local governments, and any other interested parties.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 15438.6 of the Government Code is
2 amended to read:
3 15438.6. (a) This section shall be known, and may be cited,
4 as the Cedillo-Alarcon Community Clinic Investment Act of
5 2000.
6 (b) The Legislature finds and declares all of the following:
7 (1) Primary care clinics require a one-time outlay for capital in
8 order to continuously perform their vital role. Many primary care
9 clinics are currently at capacity and in order to increase access to
10 their services and allow them to expand to cover the growing
11 need for health care for the vulnerable populations in California,
12 these capital funds are necessary.
13 (2) Primary care clinics are the health care safety net for the
14 most vulnerable populations in California: uninsured,
15 underinsured, indigent, and those in shortage designation areas.
16 Primary care clinics provide health care regardless of the ability
17 to pay for services.
18 (3) Approximately ~~7.4~~ 6.6 million Californians lack health
19 insurance, a number that increases by 50,000 per month.
20 (4) Primary care clinics have been historically and woefully
21 underfunded.
22 (5) Primary care clinics are the most cost-effective means of
23 serving California's vulnerable populations.
24 (6) The failure to adequately fund primary care clinics has
25 resulted in significant costs to the state in the form of

1 unnecessary emergency room visits. Also, the lack of preventive
2 care results in significant costs when patients become severely
3 ill.

4 (c) The authority may award grants to any eligible clinic, as
5 defined in subdivision (a) of Section 1204 and subdivision (c) of
6 Section 1206 of the Health and Safety Code, for purposes of
7 financing capital outlay projects, as defined in subdivision (f) of
8 Section 15432.

9 (d) The authority, in consultation with representatives of
10 primary care clinics and other appropriate parties, shall develop
11 selection criteria and a process for awarding grants under this
12 section. The authority may take into account at least the
13 following factors when selecting recipients and determining
14 amount of grants:

15 (1) The percentage of total expenditures attributable to
16 uncompensated care provided by an applicant.

17 (2) The extent to which the grant will contribute toward
18 expansion of health care access by indigent, underserved, and
19 uninsured populations.

20 (3) The need for the grant based on an applicant's total net
21 assets, relative to net assets of other applicants. For purposes of
22 this section, "total net assets" means the amount of total assets
23 minus total liabilities, as disclosed in an audited financial
24 statement prepared according to United States Generally
25 Accepted Accounting Principles, and shall include unrestricted
26 net assets, temporarily restricted net assets, and permanently
27 restricted net assets.

28 (4) The geographic location of the applicant, in order to
29 maximize broad geographic distribution of funding.

30 (5) Demonstration by the applicant of project readiness and
31 feasibility to the authority's satisfaction.

32 (6) The total amount of funds appropriated and available for
33 purposes of this section.

34 (e) No grant to any clinic facility shall exceed two hundred
35 fifty thousand dollars (\$250,000).

36 (f) In no event shall a grant to finance a project exceed the
37 total cost of the project, as determined by the clinic and approved
38 by the authority. Grants shall be awarded only to clinics that have
39 certified to the authority that all requirements established by the
40 authority for grantees have been met.

(g) All projects that are awarded grants shall be completed within a reasonable period of time, to be determined by the authority. No funds shall be released by the authority until the applicant demonstrates project readiness to the authority's satisfaction. If the authority determines that the clinic has failed to complete the project under the terms specified in awarding the grant, the authority may require remedies, including the return of all or a portion of the grant. Certification of project completion shall be submitted to the authority by any clinic receiving a grant under this section.

(h) Any clinic receiving a grant under this section shall commit to using the health facility for the purposes for which the grant was awarded for the duration of the expected life of the project.

(i) Upon disbursement of all grant funds, the authority shall report to the Joint Legislative Budget Committee on the recipients of grants, the total amount of each grant, and the purpose for which each grant was awarded.

~~(j) (1) This section shall be implemented only to the extent that funds are appropriated for this purpose in the Budget Act of 2000.~~

~~(2) It is the intent of the Legislature that this section be financed by the enactment of another measure containing a one-time lump-sum appropriation of fifty million dollars (\$50,000,000) from the General Fund to the California Health Facilities Financing Authority.~~

~~(3)~~

~~(j) It is the intent of the Legislature that the California Health Facilities Financing Authority be reimbursed for the costs of the administration of the implementation of this section from the appropriation specified in paragraph (2) funds appropriated for the purposes of this section.~~

~~SECTION 1. Section 17518.5 of the Government Code is amended to read:~~

~~17518.5. (a) "Reasonable reimbursement methodology" means a formula for reimbursing local agency and school district costs mandated by the state that meets the following conditions:~~

~~(1) The total amount to be reimbursed statewide is equivalent to total estimated local agency and school district costs to implement the mandate in a cost-efficient manner.~~

1 ~~(2) For 50 percent or more of eligible local agency and school~~
2 ~~district claimants, the amount reimbursed is estimated to fully~~
3 ~~offset their projected costs to implement the mandate in a~~
4 ~~cost-efficient manner.~~

5 ~~(b) Whenever possible, a reasonable reimbursement~~
6 ~~methodology shall be based on general allocation formulas,~~
7 ~~uniform cost allowances, and other approximations of local costs~~
8 ~~mandated by the state, rather than based on detailed~~
9 ~~documentation of actual local costs. In cases when local agencies~~
10 ~~and school districts are projected to incur costs to implement a~~
11 ~~mandate over a period of more than one fiscal year, the~~
12 ~~determination of a reasonable reimbursement methodology may~~
13 ~~consider local costs and state reimbursements over a period of~~
14 ~~greater than one fiscal year, but not exceeding 10 years.~~

15 ~~(c) A reasonable reimbursement methodology may be~~
16 ~~developed by any of the following:~~

17 ~~(1) The Department of Finance.~~

18 ~~(2) The Controller.~~

19 ~~(3) An affected state agency.~~

20 ~~(4) A claimant.~~

21 ~~(5) An interested party.~~

22 ~~(d) (1) Notwithstanding subdivision (c), on or before June 1,~~
23 ~~2006, the Department of Finance shall convene a series of at least~~
24 ~~three meetings to develop a reasonable reimbursement~~
25 ~~methodology for the Public Safety Officers Procedural Bill of~~
26 ~~Rights mandate (Chapter 9.7 (commencing with Section 3300) of~~
27 ~~Division 4 of Title 1). The invitees shall include all of the~~
28 ~~following:~~

29 ~~(A) The Controller.~~

30 ~~(B) An affected state agency.~~

31 ~~(C) A claimant.~~

32 ~~(D) Interested local governments.~~

33 ~~(E) Any other interested parties.~~

34 ~~(2) This subdivision does not require the participation by any~~
35 ~~party invited by the Department of Finance pursuant to paragraph~~
36 ~~(1).~~

37 ~~(3) A reasonable reimbursement methodology determined~~
38 ~~pursuant to this subdivision shall be subject to revision based on~~
39 ~~new findings by the Commission on State Mandates if it~~

- 1 ~~reconsiders its decision regarding the Public Safety Officers~~
- 2 ~~Procedural Bill of Rights mandate.~~

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